Honolulu, Hawaii

## March 21, 2014

RE: S.B. No. 2205

S.D. 1 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 2205, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to ease some of the financial burden on low- and moderate-income working families by creating a state earned income tax credit equal to 10 percent of the taxpayer's federal earned income tax credit.

The Hawai'i State Democratic Women's Caucus, Hawaii State Commission on the Status of Women, League of Women Voters of Hawaii, Aloha United Way, Catholic Charities Hawai'i, Partners in Care, PHOCUSED, Hawai'i Appleseed Center for Law and Economic Justice, Americans for Democratic Action of Hawai'i, Hawai'i Alliance for Community-Based Economic Development, ILWU Local 142, Goodwill Industries of Hawaii, Hawaii Catholic Conference, Office of Hawaiian Affairs, Hawaii Women's Coalition, and several concerned individuals testified in support of this measure. A concerned individual opposed this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2080, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Although there were numerous questions raised regarding the income tax credit contained in this measure, your Committee finds that the potential benefits to low- and moderate-income families deserve further consideration. As such, your Committee requests your Committee on Finance to continue this discussion should your Committee on Finance choose to hear this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2205, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2205, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Human Services,

Mey Carroll
MELE CARROLL Chair

## State of Hawaii House of Representatives The Twenty-seventh Legislature

HSCR 1177-14

## Record of Votes of the Committee on Human Services

SB 2205, SD1	Committee Referral: HUS, FIN	Date	3/20	114
The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
HUS Members	Ayes	Ayes (WR)	Nays	Excused
1. CARROLL, Mele (C)				
2. KOBAYASHI, Bertrand (VC)				
3. BELATTI, Della Au				
4. CREAGAN, Richard				
5. HASHEM, Mark J.			ita a migo policio il	
6 TODDAN I				
6. JORDAN, Jo				
7. MORIKAWA, Dee				
8. OSHIRO, Marcus R.		The first state of the first sta		
9. WOODSON, Justin H.				
10. FUKUMOTO, Beth				
TOTAL (10)	9			
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				